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OFFICE OF THE ATTORNEY GENERAL



Finance

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NOV 21 1979

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Honorable John N. Pappanastos
Director of Finance
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Finance Department - State
Officers and Employees -
Bonus

Legislation must be enacted
for establishment of program
where state employees would
be paid bonuses for suggestions
of efficiency and economy in
state government.

Dear Mr. Pappanastos:

The Attorney General received your request for an opinion
from this office as to the following matter:

"Governor James is interested in paying
bonuses of \$100 each month to state
employees who have had ideas on how to
increase efficiency and economy which
have been implemented by the depart-
ments for which the employees work.
As we presently perceive how this system
would work, once each month a committee
from each department would recommend to
a committee comprised of members of the
Governor's staff the names of employees

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from within the department who are eligible for the bonus. The recommendations would have to state in what manner the employees' suggestions had contributed to efficiency and economy. From among all the names contributed by all departments, the Governor's committee would select the state employees who will be awarded the bonuses for the month. The bonuses would be paid from the appropriations to the employees' departments. However, it is not clear to us whether it is lawful for state departments to pay such bonuses."

This office thinks the proposed plan of Governor James as set out above is an excellent idea. However, at the present time there is no statutory provision which would permit such a plan to be implemented. There was a provision found at Title 55, Section 327(6), Code of Alabama 1940, Recompiled 1958 for a state employees' suggestion system for increasing efficiency and economy in state government but this provision was deleted from the 1975 Code.

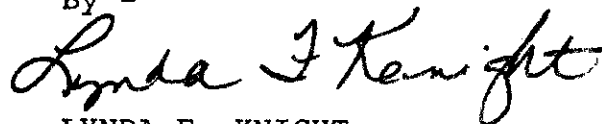
Therefore, there must be legislation enacted for the plan set out in your letter to be implemented. This legislation should include a grant and appropriation for the program.

If our office can be of further assistance, please do not hesitate to call on us.

Sincerely,

CHARLES A. GRADDICK
Attorney General

By -



LYNDA F. KNIGHT
Assistant Attorney General